

**ANNUAL GENERAL MEETING**  
**Saturday, 20th October 2017**

**Blundstone Arena**

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**Minutes**

The Chair – Joey McKibben opened the meeting and welcomed Members to the Annual General Meeting for 2018 at the Blundstone Arena, Joey announced the Members who had nominated for Board positions and asked if there were any further nominations.

**Present:**

B Amos, C Baker, R Bock, M Bock, J Bock, A Brown, A Bush, K Bush, T Chadwick, J Clark, N Clark, B Cobbing, S Crocker, A Cuthbertson, A Cuthbertson, S Dale, G Earles, S Forward, H Gasparinatos, A Gray, C Gunson, B Hall, R Hall, A Hansen, D Hansen, J Hoult, L Hoult, J Huddleston, G Hughes, D Lisson, N Manahan, J McKibben, J Mison, T Ni, L Norris, G Pacey, S Pearsall, M Porteus, J Ramsden, B Ramsden, M Reed, R Rex, B Rex, P Richardson, B Richardson, P Sandman, R Scanlon, R Searle, S Sharpe, G Shaw, D Smark, G Smith, M Steane, M Sowerby, D Tory, M Walch, N Wallace, B Wilson, R Wilson, G Woodham, Z Xie.

**Apologies:**

C Bock, D Boxall, J Brooks, C Forward, C Gunn, R Gunn, L Joyce, F Ledwell, T Lesser, B Lesser, G Lovell, E Luo, H Luo, M McMichael, S McKibben, Cl McKibben, M Newman, M Pearce, P Pollard, G Royle, R Royle, M Royle, M Stevenson, E Wallace, P Wells, A Wurf, A Jaworski, G Webster, H Cutts, B Hogan, M Hoult, P Sharp, N Harris, T Hitchens,

**Minutes of the last AGM:**

The minutes were approved at the General Meeting April 11, 2018.

**President's Report:**

President Joey McKibben brought Members up to date on issues that have been discussed by the Board and include;

- The reduction of the quota over recent years and how the fishery is now stabilising
- There are strategies in place to rebuild the greenlip and eastern zone quota
- Beach prices are steadily increasing
- The cost of running a dive business has increased significantly with the introduction of AMSA; among other measures each diver must now complete a 'Safety Management Plan' each day for risk management.
- Joey and Darvin attended the International Abalone Symposium in Xiamen, China. Professor Peter Cook reported on the world abalone supply, the tonnage of wild abalone has gone from 20,000t down to 6,500t. Tasmania still supplies 25% of the world's wild abalone – other countries have also reduced supply. China is currently supplying 140,000 tonne of farmed product.
- Tasmania has a unique blacklip product

Joey was pleased to award TACL Life Membership to *Robert Scanlon* and *Alan Gray* who have both given exceptional service to the industry over many years.

*Alan Gray* was a diver for many years and a quota holder; He is currently the Quota Holder Sub-Council chair and sits on several committees.

*Rob Scanlon* is a quota holder and has had a successful business career, is always ready to give advice on corporate governance, and has been an outstanding mentor to Joey.

Members congratulated Alan and Rob.

The TACL has 10 life members – Rob Scanlon, Alan Gray, Greg Woodham, John Hoult, Tony Johnston, Dean Lisson, Scott McKibben, Tony Wurf, Allen Hansen and Benny Boxall.

Joey thanked the Executive Committee, TACL staff, Dean and Jillian for all their hard work, and all the members for their input on issues throughout the year.

The Annual Report for 2017/18 is available in the members section of the TACL website.

[www.tasabalone.com.au](http://www.tasabalone.com.au)

### **Chief Executive's Report:**

Dean gave a comprehensive overview of the main issues the Board has been dealing with since the last General Meeting held in April 2018.

- The catch update showed 69.2% harvested to October 1
- Fishery Performance summary;
  - Western Zone – improvement on average over all blocks
  - Eastern Zone – Improvement on average across blocks 13 to 21, however all blocks are below the target CPUE. The zone is impacted by *Centrostephanus* and marine heat waves.
  - Northern Zone – 17% improvement
  - Bass Strait Zone – 17% improvement
  - Greenlip Zone – steady, all blocks below target CPUE North East steady
  - Steady Improvement in the beach price since 2013
- Current Market Situation;
  - Live – strong and consistent demand, with record beach price
  - Processed – canned prices achieving US\$800 per carton
  - Competition – from China and South Korea farmed product and ranched product from South Africa and Chile.
  - The total Australian wild Production has declined by 35% since 2011
- Market and Trade Conditions;
  - Upside:
    - Strong demand in China for large Tasmanian Blacklip
    - Strong demand for greenlip
    - There has been a 4% decrease of the US Dollar
  - Risks:
    - Australia/China relationship “wobbles”
    - US led Trade Wars destabilising global markets
    - Tasmania abalone exports highly dependent on China
    - IMF growth rate for China down to 6.6%
- 2018 State Election Commitments
  - Establishment of the Abalone Re-investment fund (AIRF) with \$5.1 million over the next 4 years.
  - AIRF Governance – will be jointly administered by a Management Committee that includes representatives from TACL, DPIPWE and IMAS with a Trust Deed defining the scope of projects.

- TACL Accelerated Centro Harvesting Program
  - A potential AIRF Project with subsidies to divers and processors
  - Options of harvesting, culling or liming.
  - Waste could be used in fertiliser, bio-active chemicals etc.
- Existing Centrostephanus Mitigation Program sponsored by TACL 2016/17/18
  - 2016: 17,989 kgs or about 54,000 urchins
  - 2017: 34,816 kgs or about 105,000 urchins
  - 2018: 172,116 kgs or about 516,000 urchins
- Potential AIRF project
  - Stock Enhancement of the Eastern Zone abalone fishery – 22A to 31C
    1. Translocation of mature abalone
    2. Re-seeding using hatchery reared juveniles
    3. Re-seeding using hatchery or locally produced larvae
 Each option has pros and cons in terms of effectiveness and biosecurity risk
- Environmental Monitoring of the Lower Channel and Actaeons Reef systems
  - Joint initiative between TACL and IMAS
  - Abalone recruitment profiles, sediment quality, assessment of reef health, water sediment quality and abalone abundance surveys
  - Review of the data to detect early changes/anomalies/emerging trends

The full CEO report is available in the Members section of the website.

[www.tasabalone.com.au](http://www.tasabalone.com.au)

### **Treasurer's Report:**

The Treasurer Avril Brown presented the audited Financial Report and discussed the overall finances of the TACL.

The AIDF monies are governed by a Grant Deed and held in a separate account isolated from the TACL Operational Budget.

The Statement of Financial Position as at 30 June 2018;

|                 |              |
|-----------------|--------------|
| Total Equity of | \$780,724.00 |
|-----------------|--------------|

Comprehensive income for the year ended 30 June 2018

|              |              |
|--------------|--------------|
| Total Income | \$663,020.00 |
|--------------|--------------|

|                |              |
|----------------|--------------|
| Total Expenses | \$631,211.00 |
|----------------|--------------|

|             |             |
|-------------|-------------|
| Net Surplus | \$31,809.00 |
|-------------|-------------|

1. Avril presented the Draft Operational Budget for this financial year.
2. There will be insurance commission this financial year from Sunderland Marine
3. The AIRF Deed will also have a component to cover accounting processes

The Operational Budget for 2018-19 shows a surplus of \$23,093.00

The Operational Budget for 2018/19 was presented, with a note of 'Provisional Liability of \$50,000; this is a contingency provision if required and not funded from other sources.

|                                          |              |
|------------------------------------------|--------------|
| Abalone Industry Development Fund (AIDF) | \$548,279.84 |
|------------------------------------------|--------------|

| <u>Funded Projects;</u>          | <u>Status</u> |
|----------------------------------|---------------|
| Environmental Monitoring Program | Completed     |
| Centro Removal Sponsorship       | Completed     |
| Accelerated Centro Removal Plan  | Completed     |
| AWA® sponsorship                 | Completed     |
| Bio toxin Management Plan        | Completed     |
| RHH Hyperbaric Chamber           | Completed     |

| <u>Pending Projects:</u>           | <u>Status</u> |
|------------------------------------|---------------|
| Diver GPS/Data Logger              | approved      |
| Electronic Data System             | approved      |
| Stock Enhancement Options analysis | approved      |
| MSC Accreditation                  | on hold       |

Motion 1.

This meeting accepts the Audited Financial Report 2017 / 2018

**Passed by a majority show of hands**

Motion 2.

This meeting endorses the 2018 / 2019 Operational Budget as presented in the Annual Report.

**Passed by a majority show of hands**

Motion 3.

This meeting endorses 'Crowe Horwath' as auditors for the 2018 / 2019 financial year.

**Passed by a majority show of hands**

**The Annual General Meeting Closed at 11.00am**

## **GENERAL MEETING/INDUSTRY FORUM**

Minutes of General Meeting April 11<sup>th</sup> 2018 were agreed as a true record.

Proposed by Rob Scanlon seconded by Nigel Wallace

**Passed by a majority show of hands**

### **Sub-Council reports:**

**Dive Sector:** Paul Richardson

- Dive fees have improved with processors and some quota holders paying \$12.00
- Compliance from AMSA include daily start up schedules and Safety Management System including a daily log and maintenance records
- The DCoP has been rewritten to bring the workplace in line with requirements of the Tasmanian Workplace Occupational Health and Safety legislation
- Working on boundary changes for the North East sector of the fishery
- The FLAD restructure issue is still front and centre
- Fishing around the state has been consistent
- Thank you to divers who have attended meetings and their support

Paul and Amanda have written a book with photos from their lighthouse keeping duties on Maatsuyker Island, this book is available in bookstores.

**Processor Sector:** Steve Crocker

- From March 2019 exports will be required to be consigned by a 'Known Consignor', which has gained Aviation Security Accreditation
- Markets started well this year with a temporary oversupply after the Chinese New Year, with high beach prices
- East Coast blocks are catching well and there is no expected overrun at the Actaeons this year
- There was once in excess of 20 abalone processors; only 7 now remain with 2 new Chinese companies recently started. Quota holders are asked to support all processors rather than selling their quota up front - i.e. spread the quota around the processors
- The TACL Board has endorsed a policy for a processor to nominate a proxy to attend the Processor Sub-Council meetings

**Quota Holder Sector;** Alan Gray

- Alan thanked the dive sector for the professional way they harvest the product
- Thank you to the processors for the prices they have achieved this year
- Avril has been attending meetings and working to protect the fishing grounds from the rapidly expanding salmon industry
- Dean and the Board have been working with the Government to establish the AIRF
- The Board have recently attended an AICD course to update on governance processes
- Raising the credit limit for royalty accounts, and receiving accounts via email are issues that have been highlighted to DPIPWE and AbFAC

### **Nominees for 2018 / 2020 Board:**

The following Members have a further 12 months to serve;

Darvin Hansen, Avril Brown, Byron Ransom, and Jeremy Huddlestone

The following nominations were received for the three vacant board positions;

Ruben Bock, Tony Bush, Ben Cobbing and Sue Forward

Joey McKibben was nominated for the position of President and elected unopposed.

The Nominees each spoke and gave a short bio on their history and involvement in the industry and what skills they can bring to the Board.

Joey thanked all Board Members for their service to the industry.

### **State of the fishery – IMAS presentation:**

Dr Craig Mundy gave a detailed overview and re-building of the fishery;

There are improvements in the assessment methods with the automation of fishery performance data now possible. CPUE standardisation accounts for specific factors; the effects of wind and swell have been incorporated into the statistical data analysis to better “standardise” CPUE.

- Eastern Zone – there is a stock rebuilding process on the East coast,
  - The *Centrostephanus* incursion is being managed through harvesting.
  - The Actaeons is the most important part of the fishery – improving CPUE with the ongoing question of over-run of the cap and how it will be managed each year.
  - Warm water events have an immediate effect of localised mortality and longer term the new stock takes 7 years to grow through.
  - PST closures are increasing.
- Western Zone - CPUE improvement observed overall for all blocks except block 11 which showed a small decline
  - If catch rates decline over the next year in block 11, a catch reduction may be considered
  - Strong catch rates are not guaranteed
- Greenlip - the fishery has been stable over 15 years; assessment is complex due to mixed fishing,
  - Catch rate has been stable
  - Selective fishing; the market is requesting larger fish.

The updated GPS loggers when implemented, along with the dive docket will give more accurate data.

### **Fishery Resource Assessment Group (FRAG) Report:**

Ian Cartwright gave a background of the FRAG membership, the way in which the members are involved with the management of the fishery, and the role divers play in the review process.

The FRAG provides recommendations on the annual TACC, distribution of catch, size limits, boundaries and research to put forward to AbFAC.

The ‘Harvest Strategy’ has been developed to standardise the data and the performance of the fishery, and is reviewed against the MCDA, taking into account special circumstances and local diver knowledge.

Zone boundaries, size limit changes and research were discussed at all meetings. A review of size limits has concluded that L50 + 3 years is the recommended minimum size to provide adequate protection of the stock.

### **KEY ISSUES;**

- The MCDA-based harvest strategy again provided a more objective way to set TACs.
- The meta-rules were applied, including small changes in TAC at the zone level

- Further reduction required for the Eastern Zone – Acteons seen to be in need of relief after several years of overruns
- Limited fishing north of Cape Pillar a positive initiative to ensure rebuilding of stocks affected by marine heat waves and centro
- Further reduction required for greenlip – some discussion of the effect of selective fishing
- Full FRAG support for reductions; some calls to be more conservative

#### Fishery Summary

| <b>Zone</b>  | <b>Target</b>   | <b>MCDA 2019</b> | <b>FRAG 2019</b> | <b>KGs/Unit</b> |
|--------------|-----------------|------------------|------------------|-----------------|
| Eastern      | 293.4           | 239.7            | 252.0t           | 72              |
| Western      | 716.8           | 691.7            | 717.5            | 205             |
| Northern     | 99.7            | 77.4             | 98               | 28              |
| Bass Strait  | 92.6            | 74.4             | 91               | 26              |
| Greenlip     | 133.1           | 106.3            | 108.5            | 31              |
| <b>TOTAL</b> | <b>1,333.5t</b> | <b>1184.2t</b>   | <b>1,267t</b>    | <b>362</b>      |

2018 TACC = 1,333.5 t

2019 TACC = 1,267 t reduction of 66.5t (5%)

#### Comments;

Different tools can be useful alongside the Harvest Strategy. There is a suggestion to change the data date range each year from September to September.

‘Harvest Strategy’ - the document has been out for public consultation and submissions have been collated by DPIPWE and will be presented to AbFAC #4. The structure of the HS has been peer reviewed by several scientists as well as the TACL, IMAS and CSIRO.

The West Coast size limit will increase from 140mm to 145mm from July 1, 2019.

Is the HS conservative enough? Yes, if in a re-building phase.

## **TAC Recommendations for the 2019 Total Allowable Catch**

| <b>2019 TAC Summary and FRAG Recommendations to TACL AGM</b> |              |
|--------------------------------------------------------------|--------------|
| Total Eastern Zone TAC                                       | 252.0t       |
| Total Western Zone TAC                                       | 717.5t       |
| Total Northern Zone TAC                                      | 98t          |
| Total Bass Strait Blacklip TAC                               | 91t          |
| Total Greenlip TAC                                           | 108.5t       |
| <b><u>Grand Total</u></b>                                    | <b>1267t</b> |

The recommendations were moved by Joey McKibben seconded by Dean Lisson

**Passed by a majority show of hands**

**Recreational bag limit – is recommended that the catch be (5) per day with a possession limit be reduced to (10)**



## **Motion: 5/6 Northern Zone Boundary changes;**

### **Summary**

1. To move the Bass Strait zone boundary on the northeast coast to include block 41A, 40B and 40C. Currently blocks 41A, 41B, 40C are in the northern zone and almost zero tonnage is taken as the stock is smaller than the rest of the northern zone abalone.

**Passed by a majority show of hands**

2. Move the boundary between North and Eastern Zone by creating a new boundary at Cod Bay. The block created between Cod Bay and Eddystone Point would be a new block that would be in the Eastern Zone. The remaining smaller portion of block 31A (north of Cod Bay) would be moved into the Northern Zone

**Passed by a majority show of hands**

## **Motion: North West Fin Fish;**

That the Tasmanian Abalone AGM resolve that the Western Bass Strait Tasmanian State Waters from west of longitude 145° 18 8870 E being Black River (east of Stanley) extending North to latitude 39° 12 000 S. which includes King Island. Three Hummock Island and the Hunter Group, be declared a Finfish Farm Free Zone until such time that contemporary, peer reviewed science supported by Government warranty can ensure no harm to the area's commercial and recreational fisheries.

**Passed by a majority show of hands**

## **Jonas Woolford - Nuffield Scholar 2017 – 'Overview of the world's wild harvest fisheries and their utilisation of stock enhancement'**

Jonas gave an overview of his year as a Nuffield Scholar studying the success or otherwise of stock enhancement overseas.

**Florida USA** – brood stock selection is sourced from a location intended for seeding, juvenile abalone and genetic fitness – 30mm considered ideal as a trade off between survival and cost.

**New Zealand** – a large trial costing over \$1m; poaching and sedimentation is an issue. The Kaikoura earthquake presented a reseeding opportunity to trial different methods.

**Japan** – produces 1,363 tonne and is harvested in winter by the 'hook' method and dive method in warmer water. In the Iwate Prefecture, 9 million seed per annum subsidised by the Government with a survival rate of 10-15%.

**California** – many experiments and methods trialled with unknown success.

**Baja California, Mexico** – no guidance of how to release, many methods of larval release up to 40mm with no standout success.

**South Africa** – Cape Recife project reseeding farm stock 30-40mm protected by a security team. Diving @ .5 – 2metres with a strong natural recovery.

**Hong Kong market** – the story of stock enhanced abalone is positive, ensuring sustainability. Must be safe food – no antibiotics or chemicals.

**West Australia** - ocean grown harvesting of greenlip has a success rate of 10-15% @ 90mm.

#### Conclusion:

- Every abalone fishery is experiencing declining stocks driven by environmental factors and then subsequently over fishing. Management responses must be quick – Technology.
- Reseeding is in its infancy other than Japan.
- It is expensive and currently security of investment is low.
- It will work in select locations by understanding the ecology of those locations.
- Combine with rotation harvesting. Resting areas works too.
- Genetic fitness is key to survival and success.
- The size at release seems best at 30mm.
- Larval reseeded is yet to work.
- Keep handling to a minimum.

#### Recommendations:

- Share knowledge & partner with aquaculture.
- Form a global working group of expert skill sets to explore and steer stock enhancement (national at least).
- Ensure governance arrangements are sufficient to provide the security necessary to make the investment.
- Inclusive & transparent for community support.
- Develop projects (genetics) and start identifying suitable reefs.
- Tell the good story of stock enhanced abalone whereby sustainability of abalone stocks is being ensured.

#### The Future:

- **Luxury Branding** – emotional desire = make more \$ from less.
- **Technology** – full transparency = efficiency = optimum production.
- **Reseed** – maximum return from investment.

#### Abalone Council Australia Ltd update:

Dean introduced the new Abalone Council Australia Ltd website:

[www.abalonecouncil.com.au](http://www.abalonecouncil.com.au)

- The next Trans-Tasman Abalone Convention will be held in Hobart July 29 to 31, 2019 at the Hotel Grand Chancellor, with the welcome reception at Mona via ferry.
- New Strategic Plan and Strategic Objectives for 2018-2023 are on the ACA website.

#### National Abalone Marketing Levy Ballot:

- Discover Australian Wild Abalone – Turning the Tide - Investing in Marketing Levy Ballot – the prospectus and consumer education/promotion program are now available on the website [www.abalonepal.com](http://www.abalonepal.com)

Awareness and preference for Australian wild caught abalone will be created at the consumer and retailer end of the supply chain.

Len Norris made comments on the 'Investment Case for the Marketing Levy' and questioned the use of dates and values used in previous presentations and the prospectus.

Dean responded to Lens' comments noting that "to be consistent and verifiable, data from the Australian Bureau of Statistics and ABARES has been used across all documentation."

The levy will enable "selling the message" directly to consumers in our key markets. Research conducted across all markets since 2010 shows that very little if anything is currently invested in directly educating consumers about our abalone products. This is a "patently ridiculous situation" considering that we expect to achieve and maintain premium prices in the face of steadily increasing competition across all global seafood markets. This lack of investment in educating consumers exposes us to market risk as there are plenty of other producers of premium seafood products who are investing a great deal of money in marketing to consumers across Asia and here in Australia. Additionally, abalone production from aquaculture is expanding 'exponentially' and these producers are investing in strategic marketing – it is naïve for us to think that we don't need to invest in educating our consumers in the face of rapidly changing market conditions.

Dean encouraged stakeholders to support the levy – the levy will enable industry to invest in educating consumers over a period of five years after which a comprehensive review will determine whether or not to continue with a marketing levy into the future.

Another opportunity to do this will not come along any time soon if this opportunity is rejected - if we don't grasp this opportunity now and give it a shot, we will never know.

Members will receive a copy of the prospectus and a voting slip in the mail around the end of November 2018 with voting to be completed towards the end of 2018. Dean stressed the importance of this initiative and encouraged all stakeholders to go to the following website and closely read all documentation and watch the attached videos.

[www.abalonepal.com](http://www.abalonepal.com)

## **General Business:**

1. Bureau of Meteorology relocated to Melbourne and Brisbane, delivering Tasmanian weather from the mainland - TSIC item to follow up.
2. Risks from overfishing – Darvin Hansen  
Darvin gave a preliminary presentation on the increased reliance on fewer blocks, there are 6 blocks are providing 72% of income. There are increased risks and Maximum Sustainable Yield is not always achievable. This presentation will be further discussed at FRAG in 2019.

Joey finalised the meeting with a thank you to Dean and Jillian for the amount of work handled over the past year and especially the last week leading up to the AGM.

Also a thank you to all Board members for their valuable input, as well as a massive thank you to Craig Mundy, Malcolm Haddon, and Matt Bradshaw.

## **Announcement of the Executive:**

As there were no additional nominees the following members were elected to the Board and will serve for two years 2018 / 20.

Joey McKibben, Tony Bush, Ruben Bock, Ben Cobbing.

Joey congratulated the members for standing for the Board and thanked Susanne Forward for putting her name forward and hopefully will stand again next year.

Close of Meeting **5.10pm**

Joey called a short Board meeting to welcome Ruben and congratulate Tony and Ben for their re-election. Darwin was elected to Vice President and Avril was elected as Treasurer.